



VISITING NURSE ASSOCIATION
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TESTIMONY

Delivered by Robert A. Grestini, VP Finance/CFO
Visiting Nurse Association of South Central CT

Before the Aging Committee
March 4, 2014

SUPPORT: SB244 AN ACT INCREASING HOME CARE PROVIDER RATES

Good morning Senator Ayala, Representative Serra and honorable members of the Aging Committee. My name is Bob Grestini. I am the CFO of the Visiting Nurse Association of South Central CT located in New Haven. The agency was founded 110 years ago and serves all of New Haven County with a not-for-profit mission of serving all in need. State services are provided not only in the City of New Haven but also in 42 other towns we serve. There are 480 state clients on census.

The agency is dedicated to providing care no matter the circumstances or condition. Nurses, therapists and home health aides are passionate about maintaining care no matter the location, patient condition, snow-clogged streets or during power outages.

For the last fiscal year, the agency had a deficit of (\$105,053). For the current fiscal year seven month YTD, the deficit is (\$172,580). Projected for the rest of the fiscal year, the deficit could be (\$300,000). The deficits are caused by the underfunding of state services. State rates are approximately 30% below cost. There have been notices from DSS that the state census is expected to increase. This will only increase the agency's deficit. Underfunding is approximately (\$800,000) per year and will increase if state programs are expanded.

A rate increase is very much needed. The increase should be a first step this year to making sure providers have enough resources for providing services. CPI index increases since 2007 are over 10%. 2007 was the last time state increases were given, almost seven years ago.

Obviously, the agency doesn't intend to continue running deficits and will have to make decisions to reduce subsidized services. Services for Medicaid and the CT Home Care Program for Elders are in a deficit position. Financially speaking, there is no way the agency should continue with the program. However, because of the mission-orientation of the agency, we are very reluctant to cut back or cease those services. Only continued deficits would cause us to take this action.

I have attached a spreadsheet to my testimony showing the history of state rate increases since 2002 and CPI increases over that time. There is a shortfall of (18%) between the CPI increases and state rate increases.

VNA South Central CT urges the Committee to pass this bill and assist its passage through both chambers. Thank you for your consideration.



Serving Greater New Haven, Milford, the Shoreline and the Valley

Connecticut Association for Healthcare at Home				
Medicaid State Rate Review				
as of February 28, 2014				
<u>Medicaid State Rate Increase History</u>				
	Skilled		Home	
	Nursing		Hlth Aide	
<u>Year</u>	<u>Visit</u>	<u>% Incr</u>	<u>Hour</u>	<u>% Incr</u>
2002	\$ 85.18		\$ 21.32	
2003	\$ 88.00	3.3%	\$ 22.80	6.9%
2005	\$ 91.52	4.0%	\$ 23.72	4.0%
2007	\$ 94.26	3.0%	\$ 24.40	2.9%
Increase, 2007/2002		10.7%		14.4%
Avg state rate increase per year, 12 years:				
		0.9%		1.2%
<u>Current Medicare Rates</u>				
Medicare Rates (New Haven County)				
	\$ 139.01	visit	\$ 41.96	Hr (1.5 hr visit)
<u>CPI Index Information</u>				
CPI %, 2003 - 2013				
	2003	1.9%		
	2004	3.3%		
	2005	3.4%		
	2006	2.5%		
	2007	4.1%		
	2008	0.1%		
	2009	2.7%		
	2010	1.5%		
	2011	3.0%		
	2012	1.7%		
	2013	1.5%		
	Total	25.7%	(Not Compounded)	
		28.8%	(Compounded)	
Avg CPI rate increase per year, 12 years:				
		2.4%		
<u>Difference state increases vs. CPI:</u>				
		-18.2%		-14.4%
		Skilled Nsg		Home Health Aide
<u>IRS mileage reimbursement rates:</u>				
	2004	37.5 cents		
	2014	56.0 cents		
	Increase	49%		